UFOP Market Information Oilseeds and Biofuels

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Price trends

Mean price	Week 49	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	387,71	387,78	↘
Wholesale prices in EUR/t			
Rapeseed	413,00	413,00	→
Rapeseed oil	900,00	960,00	↘
Rapseseed meal	269,00	283,00	↘
Rapeseed cake*	281,00	284,00	↘
Rapeseed future	47,53	42,88	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	134,10	133,66	↗
Consumer prices in ct/l incl. VAT			
Diesel	106,98	105,06	↗
Futures in US-$/barrel			
WTI, Nymex	45,28	45,71	↘

* = compared with previous month, selling prices by mills, rapeseed cake with at least 10 % fat, rapeseed meal 0 %

Market Headlines

Oilseeds

- Rapeseed prices occasionally exceeded the EUR 400 per tonne mark.
- Forward prices lent substantial support.
- Producers sold more rapeseed, even ex crop 2021.
- Demand from oil mills picked up temporarily; warehouses are now filled till year end.
- Brazilian weather turned; soybean estimate was raised; bumper crop is in prospect for 2021.

Oilseed meals and oilcakes

- Sharp price increases for rapeseed meal and expeller.
- Restrained supply and firm commodities markets provided support.

Vegetable oils

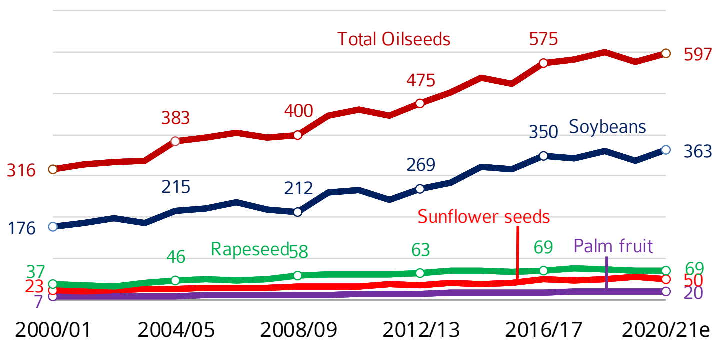
- Rapeseed oil prices hit four-year high, but sunflower oil showed the sharpest rise and record prices in November.

Fuels

- Demand for biodiesel was steady to brisk.
- Crude oil prices benefited from OPEC plans to at least maintain the cuts in production in 2021.
- Prices for mineral diesel also increased.

Chart of the week

Production of oilseed crops
in million tonnes

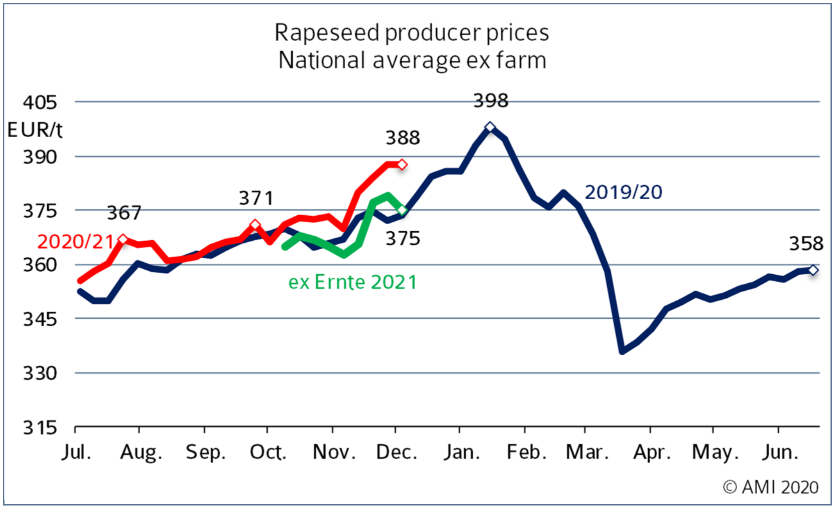


Sorce: USDA

Note: e = estimate

Edition december 2020

Market prices

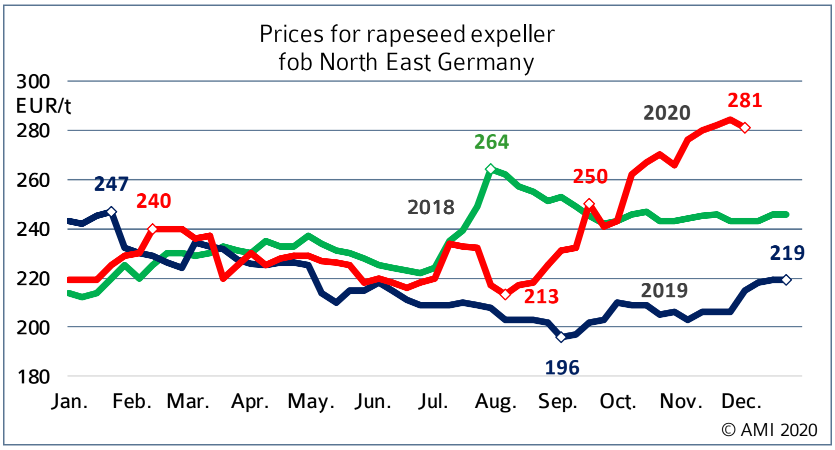


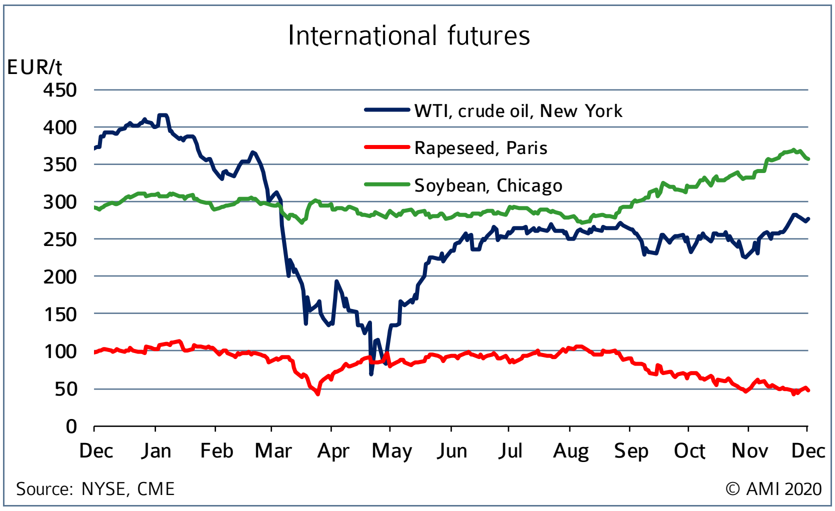
Wholesale prices

in EUR/t on 02.12.2020, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	413	269	900	756
Previous week	413	283	960	723

Source: AMI





Rapeseed

November rapeseed prices climbed significantly. Support came from firm forward prices for rapeseed in Paris, which were driven by tight EU supply and declining supplies from Ukraine. More buoyant demand for biodiesel, which was focussed on rapeseed methyl ester, also provided support. German rapeseed growers took advantage of the high price level to sell old-crop rapeseed. As a result, stocks were reduced to lower levels than usual. The high price level was also often used to conclude contracts for the 2021 crop. The rapeseed market calmed towards the end of the month, but prices remained stable at a high level.

Rapeseed oil

At EUR 900 per tonne fob Hamburg, early-December rapeseed oil prices were at a high level, but yet 6 per cent below the previous week's mark. This was a price level last seen four years earlier. Substantially firming prices for rapeseed, but also other vegetable oils, provided support, as did brisk demand from biodiesel producers in November.

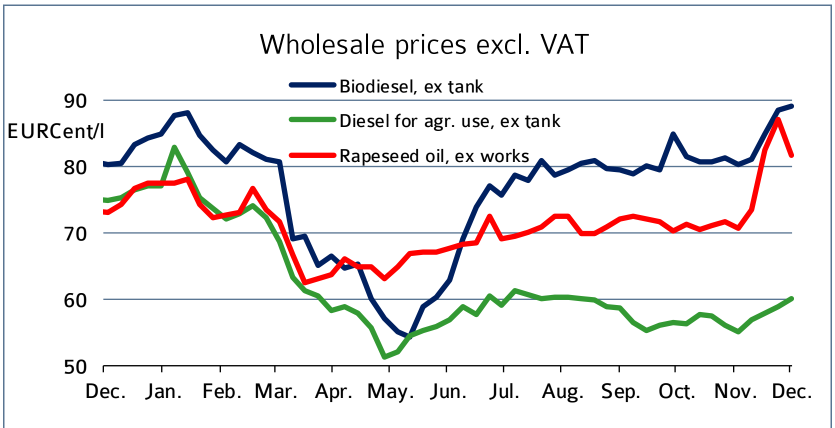
Rapeseed expeller

Prices for rapeseed expeller rose considerably in November. Feed compounders ramped up their stocks to last till year end 2020. Demand was lively at times. At the same time, supply on nearby positions was already very limited.

Wholesale prices

Wholesale prices for biodiesel continued their upward climb in November. They received support from firm vegetable oil prices. The boost was mainly driven by the surge in prices of rapeseed oil, because rapeseed methyl ester and rapeseed oil-based UCOME are required for blends in Germany during the winter months. Also, demand saw a sharp rise in the previous weeks.

Biodiesel/
mineral Diesel



Note: Rapeseed oil and Biofuel for agricultural use are energy tax exempt. Diesel for agriculural use is taxed at 25.26 cent per litre. All prices exclude freight charges.

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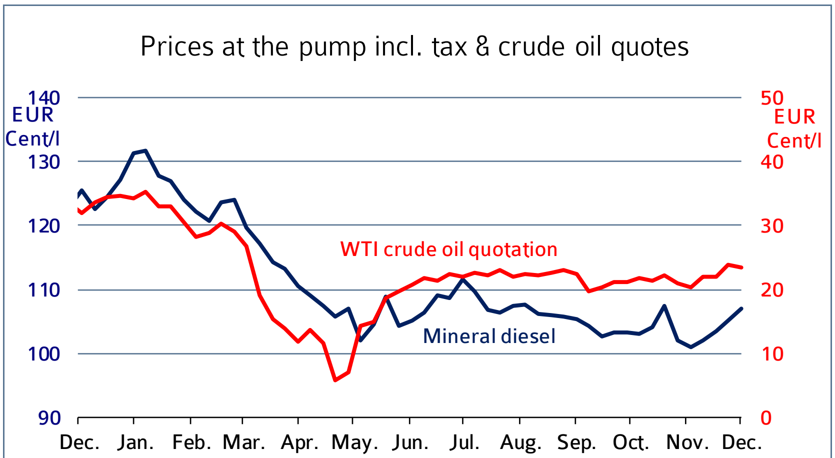

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Prices at the pump

International crude oil prices rallied markedly in November. The increase of 8.5 per cent recorded on a single trading day was extraordinary. After that day, the rise continued. Declining US crude oil stocks and recent progress in the negotiations on the level of OPEC's cap on output in the coming year provided support. The rising trend also affected prices for mineral diesel in Germany.

Consumption

Biodiesel

Buoyant demand for biodiesel and high incorporation levels characterised the market after the first corona wave and the shutdown measures introduced in spring 2020. Previously, the use in blends had shrunk to a low of 194,300 tonnes, whereas the incorporation rate reached 7.7 per cent, because consumption of diesel fuel had also declined sharply. However, consumption of biodiesel and mineral diesel started to picked up again in May. The use in blends increased especially sharply during the summer, and in August 2020 the incorporation rate topped the level of 9 per cent for the first time. In September, 303,300 tonnes of biodiesel were used for blending while the incorporation rate climbed as high as 9.7 per cent, both reaching new record highs.

Domestic consumption in 2020

in 1.000 t

										cumulated	
	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	2020	2019
Biodiesel for blending	221,7	212,7	222,0	194,3	242,2	227,7	288,8	282,6	303,3	2.225,1	1.697,6
Diesel	2.713,9	2.665,2	2.637,8	2.337,9	2.431,6	2.564,1	2.944,3	2.665,4	2.817,6	23.920,2	26.677,7
Biodiesel + diesel	2.935,7	2.877,9	2.859,8	2.532,3	2.673,8	2.791,9	3.233,1	2.947,9	3.120,9	26.145,3	28.375,2
Share biodiesel	7,6 %	7,4 %	7,8 %	7,7 %	9,1 %	8,2 %	8,9 %	9,6 %	9,7 %	8,5 %	6,0 %
Bioethanol ETBE a)	8,2	8,8	11,4	10,3	10,0	12,5	16,0	13,5	11,7	102,4	65,4
Bioethanol for blending	94,0	86,7	73,6	50,5	79,3	81,2	96,7	91,5	80,5	733,5	778,9
Bioethanol total	102,2	95,5	85,0	60,8	89,2	93,7	112,7	105,0	92,1	836,0	844,3
Gasoline	1.357,8	1.279,3	1.183,3	904,6	1.093,7	1.206,4	1.449,9	1.364,3	1.389,2	11.217,1	12.603,8
Gasoline + bioethanol	1.460,0	1.374,8	1.268,3	965,4	1.182,9	1.300,1	1.562,5	1.469,3	1.481,4	12.053,1	13.448,1
Share bioethanol	7,0 %	6,9 %	6,7 %	6,3 %	7,5 %	7,2 %	7,2 %	7,1 %	6,2 %	6,9 %	6,3 %

Note: a) Volume percent of bioethanol in ETBE = 47 %;gacumulated figures include (unpublished) revised monthly BAFA data

Source: Federal Office for Economic Affairs and Export Control, AMI

Bioethanol

Use of bioethanol continued to decline. Total consumption amounted to 92,100 tonnes, which was down 12 per cent from the previous month. At the same time, the use of petrol surged almost 2 per cent. This means that bioethanol and petrol followed contrasting trends, with the result that the incorporation rate dropped to 6.2 per cent, which is one percentage point lower than the previous month.